

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form T-1
July 2014

Form must be Typed
Form must be Signed
All blanks must be Filled

**REQUEST FOR CHANGE OF OPERATOR
TRANSFER OF INJECTION OR SURFACE PIT PERMIT**

*Form KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act,
MUST be submitted with this form.*

Check Applicable Boxes:

- ☐ Oil Lease: No. of Oil Wells _____ **
- ☐ Gas Lease: No. of Gas Wells _____ **
- ☐ Gas Gathering System: _____
- ☐ Saltwater Disposal Well - Permit No.: _____
- Spot Location: _____ feet from ☐ N / ☐ S Line
_____ feet from ☐ E / ☐ W Line
- ☐ Enhanced Recovery Project Permit No.: _____
- Entire Project: ☐ Yes ☐ No
- Number of Injection Wells _____ **

Field Name: _____

**** Side Two Must Be Completed.**

Effective Date of Transfer: _____

KS Dept of Revenue Lease No.: _____

Lease Name: _____

_____ - _____ - _____ Sec. _____ Twp. _____ R. _____ ☐ E ☐ W

Legal Description of Lease: _____

County: _____

Production Zone(s): _____

Injection Zone(s): _____

Surface Pit Permit No.: _____
(API No. if Drill Pit, WO or Haul)

_____ feet from ☐ N / ☐ S Line of Section

_____ feet from ☐ E / ☐ W Line of Section

Type of Pit: ☐ Emergency ☐ Burn ☐ Settling ☐ Haul-Off ☐ Workover ☐ Drilling

Past Operator's License No. _____

Contact Person: _____

Past Operator's Name & Address: _____

Phone: _____

Title: _____

Date: _____

Signature: _____

New Operator's License No. _____

Contact Person: _____

New Operator's Name & Address: _____

Phone: _____

Oil / Gas Purchaser: _____

Date: _____

Title: _____

Signature: _____

Acknowledgment of Transfer: The above request for transfer of injection authorization, surface pit permit # _____ has been noted, approved and duly recorded in the records of the Kansas Corporation Commission. This acknowledgment of transfer pertains to Kansas Corporation Commission records only and does not convey any ownership interest in the above injection well(s) or pit permit.

_____ is acknowledged as
the new operator and may continue to inject fluids as authorized by
Permit No.: _____ . Recommended action: _____

Date: _____

Authorized Signature

_____ is acknowledged as
the new operator of the above named lease containing the surface pit
permitted by No.: _____ .

Date: _____

Authorized Signature

DISTRICT _____ EPR _____ PRODUCTION _____ UIC _____

KDOR Lease No.: _____

[illegible]

* When transferring a unit which consists of more than one lease please file a separate side two for each lease. If a lease covers more than one section please indicate which section each well is located.

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CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application). Any such form submitted without an accompanying Form KSONA-1 will be returned.

Select the corresponding form being filed: ☐ **C-1** (Intent) ☐ **CB-1** (Cathodic Protection Borehole Intent) ☐ **T-1** (Transfer) ☐ **CP-1** (Plugging Application)

OPERATOR: License # _____
Name: _____
Address 1: _____
Address 2: _____
City: _____ State: _____ Zip: _____ + _____
Contact Person: _____
Phone: (_____) _____ Fax: (_____) _____
Email Address: _____

Well Location:
____ - ____ - ____ Sec. ____ Twp. ____ S. R. ____ ☐ East ☐ West
County: _____
Lease Name: _____ Well #: _____
If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:

Surface Owner Information:

Name: _____
Address 1: _____
Address 2: _____
City: _____ State: _____ Zip: _____ + _____

When filing a Form T-1 involving multiple surface owners, attach an additional sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer.

If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.

Select one of the following:

- ☐ I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form; and 3) my operator name, address, phone number, fax, and email address.
- ☐ I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I must provide the name and address of the surface owner by filling out the top section of this form and that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form.

If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.

I hereby certify that the statements made herein are true and correct to the best of my knowledge and belief.

Date: _____ Signature of Operator or Agent: _____ Title: _____

NATURAL CAPITAL, LLC
399 PERRY STREET, SUITE 200
CASTLE ROCK, COLORADO 80211

December 5, 2017

Justin Morris
Running J. Resources, LLC
906 N. Main Street
Yates Center, KS 66783

RE: Sale and Purchase of Oil and Gas Lease

Dear Justin:

This letter shall, upon your acceptance, constitute our agreement to sell, and your agreement to purchase, the "Taylor", "Rothgeb", "Peterson", "Natural Capital" and "Clarkson" oil and gas leases described in Exhibit "A" attached hereto, together with the wells and equipment located thereon. The terms of the sale and purchase are as follows:

1. **Price.** The purchase price is \$10,000.00 payable either by completed electronic funds transfer to our designated bank account, or by cashier's check delivered at Closing.
2. **Assignment.** We will assign the leases to you in the form provided by your attorney.
3. **Operatorship.** You have designated Streamline Energy, LLC as your licensed operator of the leases. We will transfer operatorship to your operator by the filing of KCC Form T-1's and by requisite surface owner notices.
4. **Revenues and Expenses.** We are entitled to the proceeds of all oil and gas produced prior to the Effective Time, and are responsible for all expense of ownership and operation prior to the Effective Time. You will be entitled to all such revenues, and obligated for all such expenses, from and after the Effective Time.
5. **Condition.** The leases, wells and equipment are sold "where is, as is", without warranty as to fitness, condition, reserves, productivity, or regulatory compliance, and you agree to accept the leases, wells and equipment in the present condition.
6. **Regulatory Obligations.** You agree to assume all regulatory and lease obligations for plugging and surface remediation.

7. **Taxes.** We shall pay all ad valorem taxes assessed against the leases and equipment for 2017 and prior years.

8. **Utilities.** Utility services (electric) shall be transferred to you as of the Effective Time. You will be responsible for any deposits required by the utility provider(s).

9. **Execution.** This Agreement may be executed and delivered by electronic means (email or facsimile) and when so executed shall be as effective as if manually signed and physically delivered.

10. **Closing.** Closing shall occur at the office of Jon R. Viets, 201 N. Penn Ave., Suite 604, Independence, Kansas 67301, on or before the ____ day of December, 2017.

11. **Effective Time.** The sale and purchase shall be effective for all purposes as of 6:00 o'clock p.m., local time, on the day of Closing.

12. **Binding Effect.** This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto, their successors and assigns.

If these terms are acceptable, please sign in the space provided below and return an executed copy to me.

Natural Capital, LLC

By: 
Ryan Allen, Co-Owner

Agreed and Accepted
this ____ day of December, 2017

Running J. Resources, LLC

By: 
Justin Morris, Manager/Member

EXHIBIT "A"

LESSOR: Michael L. Taylor and Judy G. Taylor, husband and wife
LESSEE: Caney Valley Iron & Supply
DATE: October __, 2009
DESCRIPTION: Lots 4 and 9, Section 18, T33S, R17E, Montgomery County, Kansas
RECORDED: Book 587, Records, Page 450

LESSOR: Mark and Laura Rothgeb
LESSEE: Jordan Wilson
DATE: May 16, 2008
DESCRIPTION:

Beginning at the Northwest corner of Section 34, Township 33 South of Range 15 East of the 6th P.M., thence South along the West line of said Section 34, 693.63 feet; thence East parallel with the North line of said Section, 314.0 feet; thence North 693.63 feet; thence West 314.0 feet to the point of beginning, EXCEPT a tract of land in the NW/4 of said Section 34 described as follows: Beginning at a point on the North line of said NW/4 of Section 34 that is N90°00'00"E. 314.00 feet from the Northwest corner of said NW/4 of Section 34, being Corner 1, marked by a 1/2" iron bar; thence S.01°24'05"E. 200.00 feet to Corner 2, marked by a 1/2" iron bar; thence N.90°00'00"W. 200.00 feet to Corner 3, marked by a 1/2" iron bar; thence North 01°24'05"W. 200.00 feet to a point on the aforementioned North line of NW/4 of Section 34 and Corner 4, marked by a 1/2" iron bar; thence N.90°00'00"E. 200.00 feet to the point of beginning

and
Beginning at a point 943.0 feet South of the Northwest corner of Section 34, Township 33 of Range 15 East of the 6th P.M.; thence deflecting to the left on an angle of 95°50' from Section line to South, Easterly a distance of 787.0 feet; thence right on an angle of 68°18', 164.0 feet; thence left on an angle of 81°32', 200.0 feet; thence right on angle of 6°31', 179.5 feet to the West line of railroad right-of-way; thence North along railroad right-of-way, 871.0 feet to the North line of said Section 34; thence West 192.15 feet; thence South 300.0 feet; thence West 726.0 feet; thence South 393.63 feet; thence West 314.0 feet; thence South 249.37 feet to the point of beginning

and
Beginning at a point 943.0 feet South of the Northwest corner of Section 34, Township 33 south of Range 15 East of the 6th P.M., thence deflecting to the left on an angle of 95°50' from Section line to South, Easterly a distance of 787.0 feet; thence right on an angle of 68°18', 164.0 feet; thence left on an angle of 81°32', 200 feet; thence right on an angle of 6°31', 179.5 feet to the West line of railroad right-of-way, thence South along said railroad right-of-way 443.8 feet to the South line of NW/4 of NW/4 of said Section 34; thence West 1219.7 feet to the West line of said Section 34; thence North 378.0 feet to the point of beginning

RECORDED: Book 576, Records, Page 582

LESSOR: Randy M. Peterson and Linda L. Peterson, husband and wife
LESSEE: Lonnie Ware and John P. Long, Jr.
DATE: April 29, 2011
DESCRIPTION: Insofar and only with respect to that part of the lease covering the W/2
NE/4; E/2 SE/4 NW/4 Section 8, T34S, R14E, Montgomery County,
Kansas
RECORDED: Book 596, Records, Page 31

LESSOR: Natural Capital, LLC
LESSEE: Natural Capital, LLC
DATE: July 21, 2014
DESCRIPTION: E/2 NW/4 and Lots 1 and 2, Section 31, T32S, R14E, Montgomery
County, Kansas
RECORDED: Book 631, Records, Page 274

LESSOR: William T. Clarkson and Ruth E. Clarkson, husband and wife
LESSEE: Shallow Sands, LLC
DATE: October 26, 2010
DESCRIPTION: SW/4 SW/4, Section 27, T33S, R15E, Montgomery County, Kansas
RECORDED: Book 593, Records, Page 128

ASSIGNMENT OF OIL AND GAS LEASES

STATE OF KANSAS)
) SS
COUNTY OF MONTGOMERY)

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, Natural Capital, LLC, hereinafter called ASSIGNOR (whether one or more), for and in consideration of One Dollar (\$1.00) and other good and valuable consideration, the receipt whereof is hereby acknowledged, does hereby sell, assign, transfer and set over unto Running J Resources, LLC, hereinafter called ASSIGNEE, all of ASSIGNOR'S right, title and working interest in and to the Oil and Gas Leases described in Exhibit "A" attached hereto together with the rights incident thereto and the personal property thereon, appurtenant thereto, or used or obtained in connection therewith.

And for the same consideration the ASSIGNOR covenants with the ASSIGNEE, its heirs, successors or assigns: That the ASSIGNOR is the lawful owner of and has good title to the interest above assigned in and to said leases, estates, rights and property, free and clear from all liens, encumbrances or adverse claims; That said leases are valid and subsisting leases on the lands above described, and all rentals and royalties due thereunder have been paid and all conditions necessary to keep the same in full force have been duly performed.

Executed this 4 day of December, 2017.

Natural Capital, LLC

THE UNIVERSITY OF CHICAGO

State of Kansas, Montgomery County
This instrument was filed for
Record on December 18, 2017 10:35 AM
Recorded in Book 666 Page 275 - 278
Fee: \$60.00 201704206

Marilyn Calhoun
Marilyn Calhoun, Register of Deeds



STATE OF Colorado)
COUNTY OF Douglas) ss:

This instrument was acknowledged before me this 4 day of December
2017 by Ryan Allen, as Co-Owner of Natural Capital, LLC.

Gayle P Sanders
Notary Public

My Appointment Expires:

GAYLE P SANDERS NOTARY PUBLIC STATE OF COLORADO NOTARY ID 19984029012 MY COMMISSION EXPIRES 10/23/2018

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Taylor Master – Lot identification

Lot 3 is the NW/4NW/4 and Lot 4 is the SW/4NW/4 of 18-33-17E.

Section 18 is also on a township line, but in this case the survey correction is rather major and these two lots are significantly more than 40 acres (50 acres plus)